Research News for the U.S. Travel Industry

TRAVEL PRINTOUT

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Travel Industry Adapts to Recession, Changing Travel Patterns

As signs of an economic recovery begin to appear, the travel industry will start to examine the effects of the recession and the impact it had on the industry. The good news is that travelers continued to travel during the recession, albeit differently, and the travel industry adapted to the economy through innovative marketing strategies that will continue to be seen in future years.

Shorter trips, traveling closer to home, using automobiles and taking more weekend trips are trends that have been identified throughout the travel industry since the start of the recession.

Many industry analysts believe that travelers, more than ever before, took these trips because of economic restraints on their travel budgets. In fact, preliminary numbers from the U.S. Travel Data Center indicate that weekend travel increased more than 9 percent in 1991. In addition, the Data Center estimates that records were set this past summer in the percentage share of automobile travel and shorter trips.

Most of these trends are not new to the industry and are unlikely to disappear when the economic downturn ends. "Many of these current trends were first seen several years ago," said Suzanne Cook, executive director of the U.S. Travel Data Center. "These trends are just more prevalent because of the recession."

One of the most wide-spread trends in the travel industry during the last few years has been the growth in shorter duration and weekend travel.

In the mid to late 1980s, statistics showing the increasing popularity of weekend travel attracted the attention of the travel industry. The distinct upward trend in the number of weekend trips was first seen in 1984. Since then, weekend travel has increased more than 30 percent and is considered to be one of the fastest growing segments in the industry.

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>
> ***Suzanne Cook***

What will happen to this trend in the coming years? "The decrease in Americans' leisure time, increase in the number of dual-career couples, growing stress and other social and demographic factors have all contributed to the growth in weekend travel," explained Elizabeth Stewart, manager of market research and editor of the Data Center's *Weekend Travel: America's Growing Trend.* "There is no reason to think that these factors will not continue to increase weekend travel after the recession is over."

According to a *Better Homes and Gardens Family Vacation Survey*, conducted by the Data Center last summer, approximately 58 percent of all family vacations were weekend trips.

In 1991, family vacation travelers were more value and price conscious than at any time in recent years. In fact, 40 percent of all family vacation travelers spent less than $500 on their trip in 1991, according to the BH&G survey. Some of the more popular family vacations in 1991 included visiting friends and relatives and visiting such cost-efficient attractions as national parks, oceans and beaches, lakes and historical sites.

In an attempt to adapt to these changing traveler characteristics, the travel industry embarked on innovative marketing strategies and techniques geared toward more economical travel. "The industry showed great adaptability and resourcefulness in meeting the consumer's travel needs during the recession," said Cook.

The hotel industry developed several pro-active marketing efforts that offered consumers a variety of incentives in their attempt to fill rooms.

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Cost of Travel in U.S. Increases in February

The cost of travel in the United States increased for the third consecutive month, increasing less than 1 percent in February, according to the Data Center's latest Travel Price Index (TPI).

The TPI, which measures seasonally unadjusted changes in the cost of travel in the U.S. increased to 148.1 (1982 - 84 = 100) during February.

For comparison, the overall cost of goods and services Americans purchase, as measured by the Consumer Price Index (CPI), also increased less than 1 percent in February and rose to 138.6.

Lodging prices increased for the third straight month, jumping 3 percent in February. Over the last 12 months, lodging prices increased more than 6 percent.

The transportation component of the TPI decreased for the second consecutive month, dropping more than 1 percent in February. Over the last 12 months transportation prices dropped an additional 7 percent.

Airline fares decreased less than 1 percent in February and decreased nearly 8 percent over the last 12 months. Motor fuel prices also decreased in February, dropping nearly 2 percent.

Entertainment costs showed a slight increase in February, increasing nearly 1 percent. In the past 12 months, entertainment costs increased nearly 5 percent.

The TPI indicates price changes in travel goods and services available to consumers in the U.S. and does not necessarily represent changes in the average fares, rates and other costs that travelers actually paid.

Travel Price Index and Components

February 1992 TPI Component	Monthly % Change January 1992 to February 1992	Annual % Change February 1991 to February 1992
Transportation	-1.2	-7.0
Airline Fares	-0.8	-7.6
Other Intercity Trans.	0.3	1.8
Intracity Public Trans.	0.1	6.4
Motor Fuel	-1.7	-6.8
Lodging	3.1	6.1
Food and Beverages Away From Home	0.2	2.7
Entertainment	0.7	4.9
TRAVEL PRICE INDEX	0.8	1.7
CONSUMER PRICE INDEX	0.4	2.8

Source: U.S. Travel Data Center and the U.S. Bureau of Labor Statistics

Top Ten State Travel Budgets Sustain Growth

Even though 21 states experienced state travel office budget cuts this year, seven of the top 10 budgets showed percentage increases from the previous year, according to the U.S. Travel Data Center's *1991-92 Survey of State Travel Offices.*

The top 10 state travel office budgets showed an average increase of nearly 11 percent, with only Hawaii, Pennsylvania and Alaska showing decreases. Louisiana and Texas are enjoying substantial increases in their budgets this year with increases of 44 percent and 31 percent, respectively.

Overall, state governments plan to spend more than $342 million for travel and tourism development and promotion in fiscal year 1991-92, an amount about equal to last year.

The 1991-92 Survey of State Travel Offices is based upon questionnaires completed by representatives of all the state travel offices, as well as similar offices in the District of Columbia and U.S. territories.

In addition to detailed budget breakdowns, the report also provides information about state governments' programs including: General Administration, Organization, Advertising and Promotion, Research and Welcome Centers.

This publication is available for $75 and can be purchased by contacting the Data Center at (202) 293-1040. *(Data Center members will be receiving a complimentary copy.)*

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Dr. Suzanne Cook, Executive Director
Scott M. Dring, Editor

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Non-refundable advance purchase discounts, reduced rate programs, weekend discounts and free weekend nights were some of the many discount programs hotels used to boost consumer demand.

One of the most publicized national campaigns was the GO USA Coalition, in which the travel industry joined forces in a massive public awareness campaign designed to shake travelers out of their wait and see attitude.

There were other alliances that were formed to offset the negative effects of the recessionary economy. Travel agents and car rental companies sought new levels of cooperation. As consumers flocked to travel agents for help in sorting out the confusing array of travel options, many car rental companies accelerated their marketing to retailers by stepping up their travel agent-oriented promotions and offering discounts, free upgrades and other incentives to be passed along to clients.

Meetings, Attendees Down in 1991, IACVB Report Says

The number of meetings and conventions held in the United States last year declined significantly, while the number of delegates recorded only a slight decrease, according to a recent survey conducted by the International Association of Convention & Visitor Bureaus (IACVB).

According to the report, which surveyed IACVB's U.S. members, delegates to meetings were down more than 3 percent and meetings were down nearly 24 percent in 349 IACVB member U.S. cities. The meetings generated an estimated $56.6 billion in 1991 as compared to $54.6 billion in 1990.

Survey respondents are expecting the number of meetings to remain relatively flat in 1992, projecting a 2.2 percent decrease in the year ahead. Attendance, however, is projected to increase nearly 2 percent in 1992.

For additional information on the Delegate/Meeting Survey, contact S.A. Miller of the Communication Department at the International Association of Convention & Visitor Bureaus at (217) 359-8881.

To submit your company's travel research projects, send a brief description of the report, including the price, address, and contact name to: Travel Printout, U.S. Travel Data Center, 1133 21st Street, Washington, D.C. 20036 or call (202) 293-1040.

USTDC Releases "New Look" Publication Guide

The Data Center recently released a new publication guide that lists all of the Data Center publications. In addition, the guide describes reports from the United States Travel and Tourism Administration (USTTA) and the European Travel Intelligence Center, which the Data Center also promotes and sells.

Some of the USTTA reports include the *In-Flight Surveys*, the *Pleasure Travel Market to North America* Series and the *Summary and Analysis of Travel to the United States*, all of which may be purchased through the Data Center.

Also included in the Data Center's publication guide are the *Discover America 2000* publications, commissioned by the Travel Industry Association of America.

In addition to the publication listings, the publication guide contains an easy to use order form which can be faxed or mailed. If you would like a complete and free listing of domestic and international travel research reports available from the Data Center, call (202) 293-1040. *(Members have been mailed a copy of the publication guide.)*

NTTAC Readies for National Tourist Appreciation Day™

The National Travel and Tourism Awareness Council (NTTAC) has declared Wednesday, May 6, 1992 "National Tourist Appreciation Day™" and is sponsoring a nationwide tie-in campaign to recognize the millions of travelers who make tourism America's third-largest industry. National Tourist Appreciation Day will be observed during National Tourism Week, May 3-9, 1992.

Themed, "Thanks to You, Tourism Works for America," participating businesses will make their customers "Super Stars" for the day. Customers will be presented with a gold "super star" badge and a statistical facts card which can be imprinted with a discount/gift coupon on the reverse side.

The campaign also features posters, counter cards, table mats, tents as collateral materials. According to the council, more than 10 million people will be traveling in America on National Tourist Appreciation Day™.

"The campaign is cost-effective, easy to implement and a good way for individual travel and tourism industry companies to get involved," said John G. Keller, under secretary of commerce for travel and tourism at the U.S. Travel and Tourism Adminstration and the NTTAC's public sector co-chair.

For additional information on National Tourist Appreciation Day, contact Meg Cavendish at (202) 293-1433.

Current Travel Indicators - 1991/92

	Month	Value	Units	Percent Change Last Month	Year Ago	Year To Date
Establishment Receipts or Retail Sales						
Hotels, Motels, Other Lodging Places(1)	Dec	$3,800	million	-21.6	1.9	1.2
Eating and Drinking Places(2)	Feb	$16,288	million	0.1	4.2	5.1
Gasoline Service Stations(2)	Feb	$10,704	million	3.1	-1.7	-5.2
Commercial Lodging Demand						
Hotel/Motel Occupancy Rates(3)	Dec	60.9	percent	-1.9	2.7	-1.5
Real Demand for Commercial Lodging(4)	Dec	48.8	million	-17.8	2.1	0.8
Airline Passenger Traffic (5)						
Domestic Revenue Passenger-Miles	Feb	23.5	billion	-3.1	1.7	-0.8
Int'l Revenue Passenger-Miles	Feb	8.6	billion	-8.5	66.0	34.9
Highway Traffic Volume (6)						
Rural Arterial Passenger-Miles	Jan	39.2	billion	-9.7	6.8	6.8
Rail Passenger Traffic (7)						
Amtrak Passenger-Miles	Jan	437.9	million	-6.4	-1.6	-1.0
Travel Price Index (1982 - 84 = 100) (8)	Feb	148.1		0.8	1.7	1.3
Visitor Volume at National Park Service Areas (11)						
Recreation Visits	Jan	N/A				
Overnight Stays	Jan	N/A				
Foreign Arrivals to the U.S.						
From Overseas(12)	Nov	1,219,785		-8.5	8.9	7.1
From Canada(13)	Dec	1,185,246		-8.6	14.9	9.9
	Jan	1,209,123		2.0	14.1	14.1
From Mexico(12)	Nov	100,168		-9.8	2.1	7.3
U.S. Citizen Departures						
To Overseas(12)	Jan	N/A				
To Canada(13)	Dec	547,130		3.1	0.0	-1.8
	Jan	433,348		-20.8	13.6	13.6
Domestic Demand for Gasoline						
Barrels/Day(14)	Dec	7,221		3.1	3.5	-0.6
	Jan	6,915		-4.2	4.1	4.1

(1) Source: Smith Travel Research, seasonally adjusted. (2) Preliminary, revised monthly. Source: Bureau of the Census. (3) Source: Smith Travel Research, seasonally adjusted, 1986 and 1987 data have been revised. (4) Smith Travel Research, unadjusted room nights sold. (5) Preliminary, U.S. scheduled service air carriers. Source: Air Transport Association. (6) Preliminary revised monthly. Source: Federal Highway Administration. (7) Source: National Railroad Passenger Corporation (Amtrak). (8) Source: U.S. Travel Data Center and Bureau of Labor Statistics. (9) Source: U.S. Travel Data Center. (10) U.S. Travel Data Center. Data is not comparable to earlier published numbers due to revised methodology. (11) Preliminary, unadjusted for differences in reporting visits. Source: National Park Service. (12) Source: U.S. Travel and Tourism Administration. Mexican data reflect 194 arrivals only. (13) Statistics Canada. (14) Preliminary. Source: U.S. Department of Energy.

US Travel Data Center
Two Lafayette Centre
1133 21st Street, NW
Washington, D.C.
20036
(202) 293-1040

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